

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 ADP-00 AGR-20 CIAE-00 COME-00 DODE-00

FMC-04 INR-10 NSAE-00 RSC-01 CG-00 COA-02 L-03 DOTE-00

RSR-01 /078 W

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R 171645Z AUG 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC 0000

UNCLAS SECTION 01 OF 02 BONN 11784

PASS AGRICULTURE AND FEDERAL MARITIME COMMISSION

E.O. 11652: N/A

TAGS: EAGR, GW

SUBJECT: INCREASE IN FREIGHT RATES FOR U.S. FROZEN
CHERRIES AND FROZEN CORN

1. THE FOLLOWING TELEX WAS RECEIVED FROM VON LIND AND CO.
COMPLAINING ABOUT AN INCREASE OF FREIGHT RATES AFTER
THE FACT OF A LOWER CONFIRMED QUOTE.

2. THE FIRM CLAIMS THAT THE 55 DOLLAR/LT FREIGHT RATES
HAD BEEN PREVIOUSLY CONFIRMED IN WRITING AND THAT THE
HIGHER RATES NOW REQUESTED -- 99 DOLLARS/LT -- REPRESENT
A BREACH OF CONTRACT. SINCE THE EMBASSY IS GREATLY
INTERESTED IN ENCOURAGING AND SUPPORTING
EXPORTS OF FROZEN U.S. PRODUCTS TO GERMANY, AND SINCE
THE FIRM HAS INDICATED THAT THE ENFORCEMENT OF THE NEW
RATE WOULD NOT ONLY MEAN A CONSIDERABLE FINANCIAL LOSS
ON THE PRESENT SHIPMENTS ORDERED BUT WOULD ALSO INHIBIT
ANY FUTURE SHIPMENTS, WE WOULD APPRECIATE IT IF THE
FEDERAL MARITIME COMMISSION WOULD INVESTIGATE THE MATTER
AND INFORM EMBASSY ASAP.

3. WE ARE REPEATING THE RECEIVED TELEX: QUOTE OFFICE
OF THE AGRICULTURAL ATTACHE; RE: SHIPMENT OF FROZEN
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CORN AND CHERRIES IN REFRIGERATED CONTAINERS FROM U.S.

GREAT LAKES AREA VIA U.S. EAST COAST PORTS TO WESTERN GERMANY.

4. GENTLEMEN: WE BOUGHT FROM U.S. PACKERS AND/OR SHIPPERS ARD. 300 TONS FROZEN CHERRIES (THEREOF HALF ON FOB-TERMS AND HALF ON CIF-TERMS) AND ARD. 265 TONS FROZEN CORN. WE INSISTED ON SHIPMENT IN REFRIGERATED CONTAINERS EX U.S. PACKERS' WAREHOUSES TO HAMBURG PARTLY VIA BREMERHAVEN, PARTLY DIRECT. THIS IN VIEW OF BETTER PROTECTION AGAINST CHANGE OF FROZEN TEMPERATURE, THUS AVOIDING QUALITY CLAIMS ON UNITED STATES PRODUCTS.

5. WE FINALLY AGREED TO QUOTED U.S. INLAND FREIGHT COSTS WITHIN THE UNITED STATES AND OCEAN FREIGHT FOR FIRM QUANTITIES FROM CERTAIN U.S. INLAND PLACES TO WEST GERMAN PORTS. THE AGENTS OF THE SHIPPING LINE RE-CONFIRMED BY TELEXES BETWEEN JULY 18 AND 27, ADVISING US BY WRITING THAT THEY HAD FULL COVERAGE OF SAME TERMS BY THEIR PRINCIPALS, NAMELY THE SEALAND-GROUP.

6. WE ASSURE YOU THAT PRIOR TO DATES OF BOOKING/CONFIRMATIONS NO LINE COULD GIVE US REFRIGERATED CONTAINERS FROM U.S. GREAT LAKES PORTS DUE TO SHORTAGE/LACK OF SUCH CONTAINERS.

7. NOW SOME CARGO HAS BEEN SHIPPED AND MOST OTHER TONNAGE WILL BE SHIPPED DURING AUGUST.

8. YESTERDAY THE AGENTS OF SEALAND ADVISED US THAT FOR ALL AUGUST SHIPMENTS FROM ONLY U.S. GREAT LAKES AREA

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PASS AGRICULTURE

VIA EAST COAST PORTS TO HAMBURG INLAND CARRIAGE WILL BE MUCH HIGHER AND HIGHER OCEAN FREIGHT RATES WILL BE IN FORCE UNTIL AUGUST 31 ONLY. IT IS FURTHER QUOTED THAT THIS ACTION WAS CONFIRMED BY F.M.C.

9. THE FORMER FREIGHT RATE FOR FROZEN CHERRIES WAS DOLL. 55.--/LT PLUS REFRIGERATION SURCHARGE OF DOLL. 330.--/CONTAINER WHICH COMES OUT TO DOLL. 73.83/LT, WHEREAS THE NEW RATE SHALL BE DOLL. 99.--/LT INCLUDING SURCHARGE.

10. WE WISH TO POINT OUT THAT AT THE SAME TIME THERE ARE STILL NEITHER REFRIGERATED CONTAINERS AVAILABLE FOR SHIPMENT FROM U.S. LAKES PORTS NOR PROMPT REEFER SPACE ON CONDITIONAL TONNAGE FROM MUSKEGON, GREAT LAKES.

11. WE HAVE TO ACCUSE BOTH CONFERENCES, I.E. NORTH AMERICAN EAST BOUND AND GREAT LAKES EAST BOUND TO BAN U.S. AGRICULTURAL PRODUCTS FROM EXPORT AND OF BREACH OF CONTRACT. THIS ATTITUDE IS AN ACT OF DISCRIMINATION. WE CANNOT IMAGINE THAT F.M.C. HAS HELPED TO DO SO. WE APPLY TO CANCEL THE NEW RATES AND TO SET IN FORCE THE FORMER RATES.

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12. ACCORDING TO INFORMATION RECEIVED BY SEALAND THIS GROUP WAS THE ONLY VOTER AGAINST TEMPORARY FREIGHT INCREASE AND THEY ARE THE ONLY PEOPLE DISPOSING OF REFRIGERATED CONTAINERS.

13. PLEASE INVESTIGATE THROUGH F.M.C. YOUR PROMPT ASSISTANCE WOULD BE APPRECIATED. UNQUOTE.
CASH

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